



# House of Representatives

General Assembly

**File No. 608**

*February Session, 2004*

Substitute House Bill No. 5689

*House of Representatives, April 15, 2004*

The Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT PROVIDING FUNDS FOR THE DEPARTMENT OF MENTAL RETARDATION (DMR) WAITING LIST.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (*Effective July 1, 2004*) During the fiscal year ending June
- 2 30, 2005, the Departments of Social Services and Mental Retardation
- 3 shall allocate an additional \$1,000,000 to provide necessary services to
- 4 address the needs of two hundred persons on the Department of
- 5 Mental Retardation (DMR) waiting list.

This act shall take effect as follows:

Section 1	<i>July 1, 2004</i>
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**APP**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

### ***OFA Fiscal Note and Bill Analysis***

#### **sHB-5689**

#### **AN ACT PROVIDING FUNDS FOR THE DEPARTMENT OF MENTAL RETARDATION (DMR) WAITING LIST.**

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>
Departments of Mental Retardation and Social Services	GF - See Below

Note: GF=General Fund

#### ***Municipal Impact:*** None

#### **SUMMARY:**

The bill requires during FY 05 the Departments of Mental Retardation (DMR) and Social Services (DSS) allocate an additional \$1 million to provide necessary services to address the needs of 200 people on the DMR waiting list.

EFFECTIVE DATE:

July 1, 2004

#### **CURRENT WAIT LIST FUNDING**

sHB 5033 "AA Making Adjustments to the State Budget for the Biennium Ending June 30, 2005 and Making Appropriations Therefor" (as favorably reported by the Appropriations Committee) includes a total of \$3.6 million to support the DMR waiting list. The funding is anticipated to provide residential supports to 150 individuals on the residential waiting list who have been categorized as Emergency or Priority 1 status. These services will be phased-in during FY 05 with the full annualized cost realized in FY 06 (on average \$50,000 annually per individual). Funding also includes enhanced family supports to 100 individuals (on average \$6,000 annually to provide in-home supports). The state receives federal reimbursement under Medicaid's Home and Community Based Services waiver for eligible costs incurred.

**FISCAL IMPACT**

The bill's requirement that the agencies allocate \$1 million in funding may result in one of four outcomes. They will: 1) reallocate funding from other priorities, thereby impacting existing programs; 2) incur a deficiency in other program areas resulting from the reallocation of funding; 3) delay implementation pending approval of additional appropriations; or 4) be unable to implement the bill's provisions due to unavailable funding.

It is unclear whether or not the bill's provisions would be met in part by funding and the associated services for individuals on the DMR waiting list provided in sHB 5033 (the budget bill as favorably reported by the Appropriations Committee). The following are three potential outcomes depending on the intent of the bill:

**Serve an additional 50 individuals from the wait list with \$1 million allocated as a result of the bill. This would be in addition to the 150 individuals to be served in the FY 05 budget approved by Appropriations Committee for a total of 200 people.** To the extent that the bill's provision would require the \$1 million to provide services to only an additional 50 individuals from the DMR waiting list (as the current budget approved by the Appropriations Committee includes resources for an 150 individuals). As a result of the same cost assumptions provided in the budget, an annualized cost of \$2.5 million would result in FY 06 from serving the additional 50. It is anticipated that services would be phased in during the year, therefore a reduced cost would be incurred in FY 05 (based on the bill's provisions it would be \$1 million). However, if the \$1 million reflected the annualized funding, then on average \$20,000 per individual would be available for the same 50 individuals.

**Serve an additional 50 individuals from the wait list within existing funding as provided in the FY 05 budget (as approved by Appropriations Committee) for a total of 200 people served.** To the extent that the bill's reference to the allocation of \$1 million is interpreted to be part of the budgeted funding to serve the 200 persons on the wait list, then the additional costs in FY 06 to annualize those services would be incurred. It should be noted that the FY 05 budget as approved by the Appropriations Committee includes partial year

wait list funding (phased-in), therefore any annualized costs would be part of the FY 06 - FY 07 Biennial Budget.

**Serve an additional 200 individuals from wait list with the \$1 million to be allocated in FY 05 as a result of the bill (beyond the budgeted 150 individuals as approved by the Appropriations Committee).** To the extent that as a result of the bill, the departments serve 200 individuals from the wait list there are variables that would impact the annualized cost. It is anticipated that the necessary services would be phased-in during FY 05 (with the resulting \$1 million cost) and the annualized cost reflected in FY 06. The annualized cost will depend on the services provided (in-home supports, supported living, group home placement, etc.) to the 200 people (per person may vary from \$35,000 to \$100,000).

## **BACKGROUND**

### **Wait List Status**

There are an estimated 1,086 individuals on the Department of Mental Retardation waiting list (waiting for residential services). This includes approximately 64 individuals categorized as Emergency and 1,022 categorized as Priority 1. There are also approximately 1,468 individuals who are on the departments planning list (in need of residential supports two years and beyond). DMR is able to provide services/supports to individuals who are on the waiting list based on available funding and filling vacant opportunities. The state does receive federal reimbursement under Medicaid's Home and Community Based Waiver.

### **Legislative History**

On March 29, the Appropriations Committee reported this substitute language, which eliminated the raised bill and replaced it with the DMR waiting list provisions. The raised bill required the Department of Social Services to review programs and services and make determinations based on a number of factors (as referenced in the bill). The raised bill further required DSS to report findings and recommendations to the Appropriations Committee by January 1, 2005 and annually thereafter. The title of the bill was also changed from "AAC the Expenditures of the Department of Social Services" to "AA Providing Funds for the Department of Mental Retardation (DMR) Waiting List".

**COMMITTEE ACTION**

Appropriations Committee

Joint Favorable Substitute

Yea 51      Nay 0